COPY
RECEIVED
OCT - 7 1996
Federal Communications Commission
Office of Secretary

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Implementation of the Local Competition Provisions in the Telecommunications Act of 1996	)	CC Docket No. 96-98
	)	
Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers	)	CC Docket No. 95-185
	)	
Area Code Relief Plan for Dallas and Houston, Ordered by the Public Utility Commission of Texas	)	NSD File No. 96-8
	)	
Administration of the North American Numbering Plan	)	CC Docket No. 92-237
	)	
Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois	)	IAD File No. 94-102
	)	

DOCKET FILE COPY ORIGINAL

To: The Commission

PETITION FOR RECONSIDERATION OF COX COMMUNICATIONS, INC.

Cox Communications, Inc. ("Cox"), by its attorneys, hereby submits this petition for reconsideration of the Commission's *Second Report and Order* in the above-referenced proceeding.[1/] By this petition, Cox seeks reconsideration only of the Commission's

---

1/ Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers; Area Code Relief Plan for Dallas and Houston, Ordered by the Public Utility Commission of Texas; Administration of the North American Numbering Plan; Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois, *Second Report and Order and Memorandum Opinion and Order,* CC Docket No. 96-86, CC Docket No. 95-185, NSD File No. 96-8, CC Docket No. 92-237, IAD File No. 94-102, FCC 96-333, rel. Aug. 8, 1996 (the "*Second Report and Order*"). *Federal Register* notice of the

(continued...)

determination that "overlay" area codes may be used to relieve area code exhaust prior to the time that permanent number portability is implemented. As shown below, the measures the Commission adopted to prevent the anticompetitive effects of area code overlays are not sufficient. Without the additional precondition of permanent number portability, incumbent LECs will continue to have the incentive to seek to impose overlays as a means to thwart competition.

The Commission properly recognizes the competitive implications of area code relief planning. As the *Second Report and Order* explains, the Commission adopted guidelines for area code relief because doing so is "consistent with Congress' intent to encourage vigorous competition in the telecommunications marketplace." *Second Report and Order* at ¶ 282. The implementation of area code overlays raises particular concerns because overlays have the potential to create an uneven playing field for incumbents and new entrants, with incumbents retaining access to numbers in the original area code and new entrants relegated to a new, unfamiliar area code. *See generally Second Report and Order* at ¶¶ 283-4.

Moreover, there are other significant policy reasons to disfavor overlay area codes. Overlays disrupt the basic principles of the North American Numbering Plan (the "NANP"), which assigned unique area codes to specific geographic areas. This geographic identity is one of the most attractive aspects of the NANP.[2/] At the same time, every single public

---

1/ (...continued)
Second Report and Order appeared on September 6, 1996. This petition is filed on the first business day following the thirtieth day after publication. Thus, it is timely filed.

2/ For instance, since the advent of interchangeable numbering plan areas ("NPAs"), Bermuda and several Caribbean nations have taken advantage of the increased availability of NPAs to obtain their own area codes, in part to enhance their separate identities.

opinion survey conducted on area code relief has found that business and residential telephone customers alike prefer area code splits to overlays, generally by wide margins. The two most recent surveys, conducted by Pacific Bell and GTE at the direction of the California Public Utilities Commission, are typical. The Pacific Bell survey found that, both in initial reactions and after a "detailed evaluation" of both approaches to area code relief, splits are preferred by "a wide margin."[3/] The GTE survey had strikingly similar results.

In this context, the Commission must be wary of attempts to impose overlays unless there are compelling reasons to do so.[4/] In particular, given consumer preferences for area code splits, incumbent LEC efforts to promote overlays suggest that they have their own commercial interests, not the public interest, at heart.

For this reason, the Commission was correct to require safeguards before any overlay can be implemented. The safeguards the Commission adopted are insufficient, however, by themselves to prevent anticompetitive effects. The Commission must take one further step by requiring the implementation of permanent number portability before an overlay can be put into effect.

3/ Initial responses were 64 percent favoring a split and 14 percent favoring an overlay among residential subscribers, with 59 percent favoring a split and 22 percent favoring a split among business customers. After the "detailed evaluation," 69 percent of residential customers and 64 percent of business customers favored a split, while 23 percent of residential customers and 30 percent of business customers favored an overlay. Even when questioners asked respondents to assume that an overlay would provide relief for twice as long as a split — a dubious assumption — statewide preferences remained strongly in favor of a split. A copy of the "Summary Highlights" from the report on the survey is attached.

4/ Notably, the Commission should discount suggestions that current trends "will result in area codes not covering single neighborhoods." *Second Report and Order* at ¶ 283. Even in California, which has seen the most area code relief activity over the past few years, there is no meaningful prospect of an area code that even approaches being so geographically limited.

The first mitigating measure adopted by the Commission, mandatory ten-digit dialing, addresses the dialing disparities that could arise in an overlay. *Second Report and Order* at ¶ 287. This is significant, but it still requires new entrants to obtain numbers from an unfamiliar area code. The unfamiliarity of the new area code, which will last for several years until the area code is mostly filled, will make it hard for new entrants to attract customers. As the *Second Report and Order* finds, such disadvantages will be particularly significant in the first few years of competition in the local exchange marketplace. *Id.* at ¶ 283.

The Commission's second mitigating measure — requiring at least one NXX code from the old area code to be assigned to each non-incumbent — is an attempt to address the problem of unfamiliarity. *Id.* at ¶ 288. In practice, however, the assignment of a single NXX code will do little for the new entrant. If the new entrant has any success in the marketplace, it will exhaust its NXX code very rapidly.[5/] Indeed, many LECs and some state regulators have argued that new entrants should be required to mirror existing local calling areas, which would require the opening of a unique NXX code in every local calling area served by the new entrant. The ability to obtain a single NXX code in the existing area code would make it impossible to satisfy this requirement without taking most of a new entrant's NXX codes from the new area code. At the same time, a new PCS provider, based on the experience of Sprint PCS to date, easily could consume a single assigned NXX code

---

5/ For instance, Sprint PCS, the new PCS provider serving the Washington MTA, has 150,000 customers after less than one year of offering service. Under current industry standards, it would take approximately 20 NXX codes to serve that many customers.

in a matter of weeks. In sum, the effect of assigning a single NXX code from the old area code would be merely cosmetic.

The Commission also relies on interim number portability to mitigate "the anticompetitive impact of overlays." *Second Report and Order* at ¶ 290. Interim portability is not, however, sufficient. As the Commission found in the *Number Portability Order,* interim portability is inferior to permanent portability in many ways.[6/] Interim portability degrades the service received by new entrants' customers. Perhaps worse, interim portability also requires all calls to be routed through the incumbent LEC before they reach the new entrant's facility.[7/] Interim portability, in effect, requires new entrants in an area covered by an overlay to choose between limiting the services and quality they can offer to their customers or having to serve those customers through the unfamiliar, undesirable numbers in the overlay area code.

Given these concerns, the Commission should reconsider the conditions it has imposed on the implementation of area code overlays. Overlays should not be permitted when just interim portability is available. Rather, they should be permitted only after permanent number portability has been deployed in the geographic area covered by the overlay.[8/]

6/ *See Telephone Number Portability*, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116, FCC 96-286 (July 2, 1996) (the "*Number Portability Order*") at ¶ 115.

7/ *Id.* Routing calls through the incumbent's facilities increases costs for the new entrant and can result in the incumbent obtaining access and other revenues that rightfully should be paid to the new entrant.

8/ California has adopted a similar proposal in its area code relief proceedings. *See Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local*

(continued...)

The inadequacies of interim portability are addressed by permanent portability. As the *Number Portability Order* explains, permanent portability will not affect the services that a new entrant can provide and will assure that the new entrant's quality of service is unaffected by using a ported number. There can be no question that permanent portability is far superior to interim portability and that interim portability will not sufficiently mitigate the anticompetitive effects of area code overlays.

The Commission also should condition use of overlays on the implementation of permanent number portability because it is important to give incumbent LECs as many incentives as possible to implement permanent number portability promptly. Incumbent LECs today have relatively few incentives to implement permanent portability. Conversely, they have many incentives to delay it as long as they can, especially because permanent number portability will greatly enhance the ability of new entrants to compete with incumbents.[9/] As a consequence, there already are indications that incumbents will attempt to delay the implementation of permanent portability as long as possible, and certainly beyond the deadlines the Commission adopted in the *Number Portability Order.*[10/] If, however, LECs cannot implement overlays until they also have implemented permanent number

---

8/ (...continued)
Exchange Service; *Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service,* Opinion, R.95-04-043, I.95-04-044 (Aug. 2, 1996) at 28 ("[W]e conclude that implementation of any overlays prior to the dates set in the FCC Order [for implementation of permanent portability], plus 9 months for possible waivers or stays, would be anticompetitive and thus unacceptable").

9/ The BOCs especially do not have significant incentives to implement permanent portability at this time because the Commission has not indicated that permanent portability is necessary to satisfy the requirements of Section 271(c)(2)(B)(xi).

10/ *See, e.g.,* Petition for Reconsideration of BellSouth, CC Docket No. 95-116 (seeking extensions of implementation deadlines by up to 180 days).

portability, they will have some additional incentive to meet the Commission's current schedule.

The *Second Report and Order* suggests that the Commission chose not to require permanent portability because it did not wish to impinge on states' prerogative to determine how best to implement area code relief. *Second Report and Order* at ¶ 290. While this is a laudable goal, it must be subordinated to the overriding mandate of the Telecommunications Act of 1996 to encourage the development of competition.[11/] In fact, while the Commission is required by the 1996 Act to take the measures necessary to make competition possible, it is not required to delegate *any* of its numbering authority to the states.[12/] Moreover, mandating the availability of permanent portability before an overlay can be implemented does not prevent a state from deciding to adopt an overlay; if a state believes an overlay should be implemented, it could mandate speedier deployment of permanent portability. Thus, in balancing the goal of facilitating competition against its desire to give the states a role in area code relief, the Commission should tip the scales decidedly towards competition, and should require permanent number portability to be deployed before an overlay can be implemented.

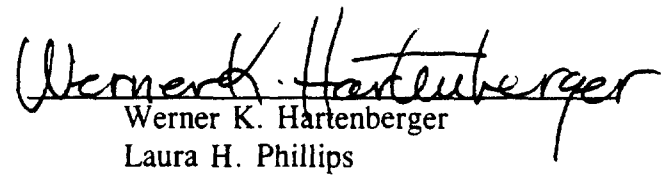
11/ S. Conf. Rep. No. 104-230, 104th Cong., 2d Sess. 1 (1996) (Conference Report on Telecommunications Act of 1996, stating that purpose of bill is "to provide for a pro-competitive . . . national policy framework"); *see also Second Report and Order* at ¶ 282 (Congress intended "to encourage vigorous competition").

12/ *See* 47 U.S.C. § 251(e)(1) (Commission has "exclusive jurisdiction" over numbering matters).

For all of these reasons, Cox respectfully requests that the Commission modify the rules adopted in the *Second Report and Order* in accordance with this petition.

Respectfully submitted,

COX COMMUNICATIONS, INC.



Werner K. Hartenberger
Laura H. Phillips
J.G. Harrington

Its Attorneys

DOW, LOHNES & ALBERTSON, PLLC
1200 New Hampshire Avenue
Suite 800
Washington, D.C. 20036
(202) 776-2000

October 7, 1996

EXHIBIT A

SUMMARY OF PACIFIC BELL
AREA CODE RELIEF SURVEY

Summary Highlights

This section provides a more detailed review of the key findings with references to tables in the full text of the report.

About Awareness of Need for New Area Codes

There is widespread awareness that the demand for telephone numbers is increasing (68% residential, 71% business). Most of those aware attribute this to a growing population, although many cite the increase in cellular phones, pagers, modems, FAXs and the like as a cause. 1.1a*

Statewide, about half of the residential and business customers (46% and 50% respectively) say they have seen/heard something about how they may need a new area code. 310 and 415 customers are most likely to have seen or heard about an impending new area code. There is also higher awareness of this in 213, 510, 619, 714, 818 and 916 than in 209, 408, 707, 805 or 909. 1.2b 1.2c

Recall of Previous Splits

The large majority of residential (67%) as well as business customers (78%) can recall previous area code splits in California. (Majorities across all NPAs can recall splits.) 1.4b 1.4c

While the majority of customers statewide can recall splits, only a minority statewide say they have lived in an area that was split: 32% residential and 28% of businesses has been through a split. While most of these groups say they received the new NPA, just 25% of residential and 23% of businesses statewide have had direct experience with getting a new area code. 1.5a 1.6a

However, direct experience with splits varies considerably by NPA: ranging from highs of 66% or so in 310 and 510 to fewer than 11% in 916, 209, or 408. 1.5b 1.5c

* Refers to tables in "The Findings in Detail" section of this report.

Familiarity with Splits and Overlays

When asked how familiar they are with these plans, most customers say they are not familiar with splits (80% residential, 76% business) or overlays (91% and 89% respectively). A few more say they are familiar with the split than say they are familiar with the overlay (19% vs. 9% residential; 23% vs. 10% business). 1.2a

It should be noted that while most customers say they are not familiar with either plan, the large majority recall previous splits (naming the NPA) and many say they have lived in an area that was split. Thus, the split is clearly a more well known concept than the overlay; what customers seem to be saying is that they are not familiar with the details or distinctions between them. 1.4a 1.5a

Initial Reactions to Split and Overlay

After being read brief descriptions of each plan, both residential and business customers statewide have a much more favorable reaction to the split than to the overlay: 52% residential and 43% business give it a favorable rating compared to just 18% and 17% respectively for the overlay. 1.7a

Reaction to the overlay tends to be quite negative with most customers (74% residential, 73% business) rating it fair or poor and about half (54% residential, 54% business) seeing it as a poor solution. 1.7a

While the split scores higher than the overlay, there are many who rate the split only fair or poor (38% residential, 44% business) and only 10% and 9% respectively see it as an excellent solution. Thus, many customers apparently see some problems with both plans. 1.7a

Initial reactions to the two plans did not vary substantially by NPA. Customers in all NPAs were quite negatively disposed toward the overlay, although those in 213 gave the overlay higher marks than did those elsewhere. 1.7b 1.7c

Reactions to Split and Overlay After Receiving Booklet

Both the split and the overlay are rated more favorably after customers have had a chance to read the detailed descriptions of each; however, the split gains more than the overlay. Thus, the main effect of the booklet was to reduce the no opinions and increase favorable attitudes, especially toward the split. 2.1a

Customers in all 13 NPAs continue to rate the split more favorably than the overlay after exposure to the more detailed descriptions of each. However, customers in 213 and 310 are less critical of the overlay and somewhat more critical of the split than customers in other NPAs. Residential customers in 510 are especially favorable toward the split and especially critical of the overlay. 2.1b 2.1c

Evaluation of Features

Both plans are perceived to have advantages as well as disadvantages. 2.4a 2.6a

Features of Split Plan

Among residential customers: While large majorities of residential customers see both advantages and disadvantages to the split plan, the advantages outweigh the disadvantages, that is, the advantages are more often seen to be "big" whereas the disadvantages are often seen to be "small." 2.3a

The three most highly valued advantages of the split are, in rank order: can have same area code for all lines (64% big), can continue to dial 7 digits (61% big) and continues to identify a particular geographic area (53% big). The split is also perceived to have disadvantages but fewer than half see these as big concerns: half the businesses will get new area code and incur added costs (34% big), 50/50 chance my area code will change (23% big), half the businesses and people get a new area code so have to dial 1 plus the new area code to reach them (12% big) and the region must be split (18% big). 2.3a

Among businesses: Businesses are more concerned than residential customers about having to incur added costs if they get the new area code (55% big) and a 50/50 chance of getting a new area code (46% big). On the other hand, businesses also place a high value on having the same area code for all lines (65% big), continuing to dial 7 digits (60% big) and identifies a particular geographic area (46% big). For businesses, the perceived disadvantages of the split tend to be more nearly equal to its perceived advantages, more so than with residential customers. 2.3b

Features of Overlay Plan

Among residential customers: Among residential customers, the two largest concerns about the overlay are having a mix of area codes within the household (59% big) and having to dial 11 digits for all calls (51% big). There is also considerable concern that people/businesses next door could have a different area code (46% big). On the other hand, almost equal numbers place a high value on not having to change their area code (52% big). The fact that the outer boundaries remain so you still know whether you are calling within the old area code draws a more mixed 2.5a

response: 49% advantage (just 17% big), 23% disadvantage and 28% say this makes no difference. So, too, does the fact that one does not need to divide or split cities or communities: while more see this as an advantage (43%, 22% big) than a disadvantage (19%), there are many who say this makes no difference to them (35%). Similarly, with regard to knowing that people or businesses with the new area code are newcomers: just 30% see this as a disadvantage (14% big), 34% see it as an advantage (11% big) and 36% say it makes no difference to them.

Among businesses: The big plus for the overlay among businesses is that their area code does not change (65% big). Businesses place a greater value on this than do residential customers (65% big vs. 52% big). Offsetting this big plus for the overlay, however, are three negatives: having a mix of area codes within the business (64% big), having to dial 11 digits for all calls (50% big) and having people or businesses next door with a different area code (46% big). 2.5b

Plan Preferred: Before and After Evaluating Features

Before evaluating features: After hearing only brief descriptions of both plans, the split is preferred by a very wide margin, about four to one, to the overlay: 64% split to 14% overlay among residential and 59% split to 22% overlay among business customers. About one in five customers has no preference (21% residential, 19% business). 3.6a

The split is preferred to the overlay by wide margins in all NPAs but there are some differences in the margin of preference: in 213 the margin for the split is lower (50% split to 17% overlay) and in 510 the margin for the split is higher (73% split to 10% overlay). 3.6b

After evaluating features: After having received the booklet describing both plans in greater detail and having been asked reactions to seven features of each plan, the split is still preferred to the overlay by a wide margin: 69% split to 23% overlay among residential and 64% to 30% among business customers. However, the overlay gains a little more support (than does the split) so that the margin of preference is reduced somewhat after this education process. 3.6a

After the detailed evaluation of the features of both plans, the split is preferred to the overlay across all of the various NPAs studied. However, the margin of preference is wider in some NPAs than in others and in one case (213 business) the margin is quite small: 48% split vs. 43% overlay. 3.6b 3.6c

How Duration of Each Plan Affects Preferences

Up to this point, customers were told nothing about how long the plans would last. Since duration is likely to affect preferences, the study measured preferences under four duration scenarios. These measures came at the end of the interview so as to provide separate measures of preference when duration is taken into account.

The design tests two durations for the split (X1 and X2) against one projected duration of the overlay (Y). X1 is the predicted life of the split assuming that the old area code continues to grow at its current rate. X2 is the predicted life of the split assuming that the old area code grows at just 66% of the current rate. All samples evaluated X1 against Y. This is referred to as the 5/10 scenario because in most cases the split is predicted to last 5 years (X1) and the overlay 10 years (Y). It is also what Pacific Bell believes is the most likely scenario in each NPA.

A special test sample was used to test X2 (old area code grows at 66% of current rate) against Y to determine the effect of a longer projected split life against the overlay. This is referred to as the 7/10 scenario because in most cases the split lasts 7 years and the overlay lasts 10.

Preferences were also tested when both splits and overlays last the same length of time, either X1 years (the "5/5 scenario") or Y years (the "10/10 scenario").

The methodology as well as the findings from this portion of the study are described in detail in Chapter 3.

Expectations Regarding How Long Splits and Overlays Last

Before introducing the concept of duration, customers were asked how long they expected splits and overlays to last. This provides an understanding of the basis upon which customers expressed their earlier preferences.

While there is considerable variation among both residential and business customers with respect to how long they expect these solutions to last, both are expected to last about the same amount of time. Very roughly, about one-third expect each to last 5 or fewer years, one-third expect them to last ten or more years and one-third or so did not offer an estimate. (Actual percentages vary considerably by group and by NPA.) 3.1a

Summary of Preferences

	Residential											Business										
										209	707 805										209	707 805
	Total	213	310	415	510	619	714	818	916	408	909	Total	213	310	415	510	619	714	818	916	408	909
Initial preference:																						
Prefer Split	64	50	62	65	73	66	67	63	66	62	68	59	50	53	58	65	60	56	52	63	64	67
Prefer Overlay	14	17	18	17	10	15	19	16	13	11	12	22	30	29	28	19	16	22	25	18	18	17
No preference	21	33	20	19	16	19	15	20	20	27	20	19	20	18	14	15	24	22	23	19	18	16
After evaluating features																						
Prefer Split	69	53	62	65	77	76	70	70	72	70	71	64	48	55	62	70	71	64	56	70	65	72
Prefer Overlay	23	33	28	27	16	17	25	24	21	21	21	30	43	39	31	25	23	29	37	25	30	24
No preference	8	14	10	8	7	8	5	6	7	9	8	6	9	6	7	5	6	7	8	5	5	4
(Base)	3781	395	315	388	459	479	427	401	490	185	242	4468	426	390	504	497	528	503	457	552	264	347
After told both last X1 years:																						
Value of XI		5	3	4	5	4	5	5	5	5-6	8		5	3	4	5	4	5	5	5	5-6	8
Prefer Split	61	48	57	58	70	66	64	61	68	60	61	60	46	49	55	66	64	60	51	65	64	67
Prefer Overlay	22	27	28	25	14	16	24	25	19	23	19	29	39	41	33	25	24	28	34	24	27	21
No preference	17	24	15	18	16	17	12	15	12	17	20	11	15	9	12	9	11	13	14	11	9	11
After told split X1, overlay Y																						
Value of XI		5	3	4	5	4	5	5	5	5-6	8		5	3	4	5	4	5	5	5	5-6	8
Value of Y		10	13	9	10	9	10	10	10	10-13	16		10	13	9	10	9	10	10	10	10-13	16
Prefer Split	52	43	44	51	59	57	56	53	59	53	53	52	37	37	48	62	58	51	47	62	57	60
Prefer Overlay	34	39	43	35	25	30	34	38	27	36	33	38	51	56	42	31	32	37	44	30	35	31
No preference	13	19	13	14	16	13	10	9	14	11	14	9	12	7	11	8	10	12	9	8	8	9
After 1/2 told keep NPA and 1/2 told get new NPA																						
Prefer split	61	50	58	60	71	65	63	60	63	58	62	63	46	53	55	71	68	64	59	72	65	68
Prefer overlay	19	27	23	19	15	13	22	20	17	18	21	23	33	31	32	18	20	23	28	18	21	17
No preference	20	23	19	21	15	22	15	20	20	24	18	14	21	15	13	11	13	14	13	10	14	15
(Base: Received basic scenario)	3169	345	315	322	358	347	340	322	393	185	242	3694	355	390	393	408	384	378	334	441	264	347

Source: Q.4, 4a, 7, 8, 9, 10, 11

Preference When Splits and Overlays Both Last X1 Years (the "5/5 Scenario")

When customers are told both the split and the overlay would last X1 years (typically 5 years), the so-called "5/5 scenario", the large majority continue to prefer the split: 61% to 22% among residential, 60% to 29% among businesses. 3.2a

Preference When Splits Last X1 and Overlays Last Y Years (the "5/10" or Most Likely Scenario)

When the above group is then told that the split would last X1 years and the overlay would last Y years (the "5/10" or most likely scenario), there is some shifting away from the split to the overlay, but statewide, the split is still preferred by a wide margin: 52% split to 34% overlay among residential and 52% split to 38% overlay among businesses. 3.2a

However, in some NPAs, the split is no longer preferred to the overlay in this "5/10 scenario," the one Pacific Bell believes to be the most likely scenario because it assumes the old area code will continue to grow at its current rate. The NPAs and the groups among whom the split is no longer preferred are summarized below:

213: Business customers prefer the overlay by a considerable margin (51% overlay to 37% split). Residential customers still prefer split albeit by a narrow margin (43% split to 39% overlay). 3.2b

310: Business customers prefer the overlay by a considerable margin (56% overlay to 37% split), and residential customers are equally divided in this scenario (44% split, 43% overlay). 3.2b

In all NPAs, the preference for the split is reduced in this "5/10 scenario" because (a) there is some shifting toward the overlay, and (b) there is some shifting away from the split into the no preference camp. As a result, there are a number of NPAs where the split no longer garners 50% or more of the vote. (See above.)

The preferences by NPA for this and the other scenarios can be seen in the Summary of Preferences opposite.

Plan Preferred in 7/10 and 10/10 Scenarios (Special Test)

When the life of the split is increased to X2 (typically about 7 years) and the differential between the split and overlay is narrowed (typically from 5/10 to 7/10), there is still a slight shift to the overlay, but not nearly as much as in the 5/10 scenario with the result that the split is still preferred by wide margins among both residential and business customers in the "7/10 scenario." 3.3

When both last Y years (the 10/10 scenario), preference is about the same as in the 5/5 scenario except for some shifting from the overlay to no preference among businesses. 3.3

Summary of Reactions of Small vs. Large Businesses

The total findings for businesses show each employee size segment in proportion to its size among statewide businesses. Because the large majority of businesses in California are small businesses with fewer than ten employees (83%), the total business findings reflect mostly smaller businesses. To understand the views of much larger businesses, a group of businesses with 100 or more employees (at that location) was singled out for separate study.

Reactions to the split and overlay among these large businesses are very similar to those of the smaller businesses. From a policy standpoint, the most important observed difference is that, if anything, large businesses tend to prefer the split more so than do smaller businesses. While large businesses are especially concerned about having their area code change, they are also especially concerned about having to dial eleven digits and having a mix of area codes within the business. In the end, when having to balance these two plans, large businesses tend to come down on the side of the split more so than do smaller businesses. The differences are not great, but they are consistent across a number of measures. 2.6a 2.7a 3.6a

Summary of Reactions of Key Residential Subgroups

Cellular and Pager Customers

Residential customers who have cellular phones and/or pagers are very similar to those who do not on most counts. While some differences can be noted, they tend to be relatively small in most cases. Thus, the overall pattern of response with respect to preferences for splits and overlays is about the same among both groups. If anything, those who have cellular phones and/or pagers, as compared to those who do not, are more favorable toward the split and less favorable toward the the overlay. This appears to be due to the higher value this group places on being able to have the same area code for all of their lines. 4.2 4.3

Hispanic Customers

Residential Hispanic customers tend to be less aware that the demand for phone numbers is increasing and that they may need a new area code. They are also less likely to remember any previous area code splits. Throughout, Hispanic customers show a tendency to be more favorable toward overlays and less favorable toward splits than White customers. Overall, they prefer the split, albeit by a narrower margin than White customers. They are less likely than others to see big advantages to the split. They are more likely than others to see big advantages to the overlay and less likely to see big disadvantages to the overlay. As a result, in the "5/10 scenario" there is a slight preference for the overlay among Hispanic customers: 44% overlay to 39% split with 17% no preference. After half are told they would keep their NPA and half are told they would get the new NPA, Hispanics prefer the split by a wide margin (47% to 29%) albeit a narrower margin than Whites (66% to 16%). 4.1 4.2 4.3 4.4

African American Customers

Like Hispanic customers, African American customers also tend to be less favorable toward the split and less critical of the overlay than are White customers with the result that while African American customers as a group prefer the split in all scenarios, they do so by narrower margins than do Whites. In the "5/10 scenario", African Americans still prefer the split but by only a very narrow margin: 43% split to 40% overlay and 17% no preference. 4.2 4.4

Lower Income vs. Higher Income Customers

Lower income customers ($25,000 annual income or less) place a little less value on the advantages of the split and a little more value on the advantages of the overlay and are less concerned about the disadvantages of the overlay as compared to upper income customers ($50,000 annual income or more). As a result, lower income customers prefer the split by lower margins than upper income customers. In the "5/10 scenario" lower income customers prefer the split by only a very narrow margin: 42% split to 39% overlay with 19% preference (vs. 60% split, 31% overlay and 9% no preference among upper income customers). 4.3 4.4

In the final preference, after half are told they would keep their area code and half are told they would get the new area code, lower income customers go back to preferring the split by a wide margin: 50% split, 25% overlay, 25% no preference. 4.4

CERTIFICATE OF SERVICE

I, Tammi A. Foxwell, a secretary at the law firm of Dow, Lohnes & Albertson, do hereby certify that on this 7th day of October, 1996, I caused copies of the foregoing "Petition for Reconsideration of Cox Communications, Inc." to be served via hand delivery upon the following persons:

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

The Honorable Susan Ness
Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, D.C. 20554

The Honorable James H. Quello
Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

The Honorable Rachelle B. Chong
Commissioner
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, D.C. 20554

Ms. Regina Keeney
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 500
Washington, D.C. 20554

Ms. Michele Farquhar
Chief, Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, NW, Room 5002
Washington, DC 20554

Ms. Janice Myles
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 544
Washington, D.C. 20554
(With Diskette)

International Transcription Service
2100 M Street, N.W.
Suite 140
Washington, D.C. 20037

Tammi A. Foxwell